

## Message Text

PAGE 01 STATE 049914  
ORIGIN EA-12

INFO OCT-01 ISO-00 USIA-15 PM-05 PA-02 INR-10 SIG-03  
/048 R

DRAFTED BY EA/P:STAFF:VDC:AJA  
APPROVED BY EA/P:JCANNON  
DESIRED DISTRIBUTION  
USIA/IEA:MSMITH

-----053507 272021Z /45

R 271836Z FEB 78  
FM SECSTATE WASHDC  
TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS  
AMEMBASSY MOSCOW  
AMEMBASSY PARIS  
INFO CINCPAC  
COGARD  
TREASURY  
GOVGUAM

UNCLAS STATE 049914

ATTN PARIS FOR MARK PRATT

E.O. 11652: N/A

TAGS: SOPN, XC, US

SUBJECT: FEBRURARY 27 EA PRESS SUMMARY

### 1. INDOCHINA

VN/LAOS/THAILAND HAVE AGREED DEVELOP MEKONG RIVER JOINTLY,  
ACCORDING COMMUNIQUE QUOTED BY VIET NEWS AGENCY 2/24 AT  
END OF 3-DAY MEET OF INTERIM MEKONG CMTE. COMMUNIQUE ALSO  
CALLED ON INTL ORGS MAKE FINANCIAL CONTRIBUTIONS TO DEVELOP  
MEKONG (REUTER HK 2/24; NYT 2/26).  
UNCLASSIFIED

PAGE 02 STATE 049914

### 2. INDOCHINA REFUGEES

NYT'S KAMM (BANGKOK 2/25) REPORTS LAOTIAN WOMAN/HER 2  
DAUGHTERS WERE SHOT DEAD ON LAOTIAN SIDE OF MEKONG LAST WK,  
AFTER BEING DRIVEN BACK TO LAOS FROM THAI SIDE OF BORDER  
WHERE THEY HAD SOUGHT REFUGE. W SOURCE SAID THAI OFFICIALS  
ADMITTED KILLINGS WITNESSED BY THAIS WHO HAD FORCED LAO-  
TIANS ACROSS RIVER. SAID SHOOTING DONE BY SOLDIERS IN  
PATHET LAO UNIFORMS W/O VISABLE PROVOCATION.

KAMM SAYS AUTHORITIES PUT TOTAL NUMBER REFUGEES SENT BACK ACROSS MEKONG AT 100, THAT LAOTIAN DEP GOV HAS AGREED ACCEPT THEM IF THAIS SU0MIT FOR APPROVAL LISTS OF REFUGEES

TO BE REPATRIATED. KAMM SAYS 5 LISTS SUBMITTED SO FAR W/O ANY RESPONSE.

IN ANOTHER REPORT, KAMM WRITES OF ESCAPE 4 TEENAGERS WHO ROWED FROM PHU QUOC ACROSS GULF OF SIAM IN 14 DAYS--FEAT WHICH REFUGEE OFFICIALS CALL UNUSUAL. SAYS 4 SEEMED SURPRISED AT QUESTIONS ABOUT THEIR MOTIVATION FOR LEAVING VN, SAYING JUST ABOUT EVERYONE THEY KNEW WOULD LIKE LEAVE. SAYS THEY JOKED W/INTERPRETER ABOUT FOREIGNERS' NAIVETE, DESCRIBED LIFE DOMINATED BY ORGANIZED ACTIVITY IN YOUTH-WORK BRIGADES, POL LECTURES, TIGHT DISCIPLINE, SHORTAGES OF EVERYTHING, FROM FOOD TO FUN (SONGKHLA 2/26).

### 3. PHILIPPINES

IN 2/24 INTERVIEW ON GOVT RADIO, ELECTION COMMISSIONER BAYOT WARNED ALL FOREIGNERS, INCL REPORTERS, AGAINST INTERVENING IN ELECTION CAMPAIGN--BUT DID NOT SPELL OUT UNCLASSIFIED

PAGE 03 STATE 049914

WHAT CONSTITUTED "INTERVENTION." IN 2/25 COLUMN, "DAILY EXPRESS" VALENCIA ACCUSED FON CORRESPONDENTS IN PHILS OF TRYING AID MARCOS FOES; CLAIMED THESE NEWSMEN IN COUNTRY NOT TO COVER ELECTION STORY, BUT HELP OPPOSITION/"DAMN THE NEW SOCIETY"/DO "COVERT PROPAGANDA" CALCULATED INFLUENCE LOCAL PRESS INTO "HITTING AWAY AT" GOP (REUTER MANILA, NYT 2/26).

MARCOS ANNOUNCED 2/26 THAT AQUINO WILL NOT BE RELEASED TO CAMPAIGN IN NATIONAL ELECTIONS; SAYS "NATIONAL SECURITY COUNCIL'S" EXECUTIVE CMTE HAS DECIDED AQUINO'S RELEASE WOULD ENDANGER SECURITY (REUTER MANILA, NYT).

ARMED FORCES LIFTED 5-YR-OLD MIDNIGHT-DAWN CURFEW IN SOUTHERN PHILS 2/24, SAYING SITUATION THERE "NORMALIZED"--THOUGH MIL RESERVES RIGHT REIMPOSE CURFEW IF SITUATION WARRANTS (AP ZAMBOANGA CITY, SUN 2/25).

ZAMBOANGA CITY MOSLEM REBELS KIDNAPPED FRENCH FINANCE MINISTRY OFFICIAL SUNDAY, TOOK HIM TOWARD THEIR BASILAN ISLAND STRONGHOLD, ACCORDING MIL OFFICIALS (AP, NYT).

AT MTG OF COUNCIL OF "CONFEDERATION OF ASIAN CHAMBERS OF COMMERCE AND INDUSTRY" IN TOKYO THIS MONTH, PRES OF PHILS CHAMBER OF COMMERCE/INDUSTRY PROPOSED ADVANCED COUNTRIES SHOULD TEACH PEOPLE IN DEVELOPING COUNTRIES HOW START SMALL BUSINESSES. SEES IDEA BENEFITING PHILS PARTICULARLY (UPI, JOC).

4. KOREA

TONGSUN PARK RETURNED WASHINGTON 2/26 AFTER 18 MOS' ABSENCE. STEPPING OFF PLANE AT DULLES, PARK ANNOUNCED, "I FEEL LIKE I'M COMING HOME." IN "NEWSWEEK" INTERVIEW, PARK DENIED ANY CONNECTION W/KCIA, CLAIMED HE WAS INTIMIDATED INTO MAKING 500,000-DOL LOAN TO WASHINGTON UNCLASSIFIED

PAGE 04 STATE 049914

KCIA CHIEF YANG DU WON. IN COMPANION "NEWSWEEK" INTERVIEW, FORMER SK AMB KIM DONG JO VIGOROUSLY DENIED REPORTS HE MADE PAYOFFS TO CONGRESS (WP, W/LARGE, FRONT-PG PHOTO TONGSUN PARK ARRIVAL; AP SUN, PHINQ, NYDN).

IN 2/24 TESTIMONY BEFORE SEN ARMED SERVICES CMTE, DEFENSE DEP ASST SEC FOR MANPOWER ABRAMOWITZ SAID ADMIN'S SK TROOP W/DRAWAL PLAN WOULD BRING NO IMMEDIATE FINANCIAL SAVING FOR US, BUT ADDED MOVE WOULD NOT ADVERSELY AFFECT SECURITY ON KOREAN PENINSULA. CREDITED IMPROVEDUS-PRC RELS FOR SIGNIFICANTLY REDUCING MIL THREAT ON PENINSULA (REUTER 2/24).

ALSO TESTIFYING BEFORE CMTE 2/24, GEN VESSEY--CMDR US FORCES SK--SAID HE DOES NOT PERSONALLY FAVOR CARTER PLAN W/DRAW FORCES, ADDING THAT ANY FUTURE WAR INVOLVING SK WOULD BE DISASTER FOR ROKG--EVEN IF IT WON. HOWEVER, VESSEY SAID GIVEN FACT DECISION ALREADY MADE, ADMIN HAS DESIGNED VERY "SENSIBLE PLAN" FOR CARRYING OUT W/DRAWAL PROJECT (UPI, WSTAR 2/25). ASKED WHETHER PULLOUT WOULD KEEP US OUT OF WAR IF NK INVADED SK, GEN REPLIED, "I DON'T SEE ANY WAY WE COULD STAY OUT" (AP, SUN, 2/25).

SOME 66 LEADING SKOREAN DISSIDENTS HAVE SIGNED APPEAL--GIVEN FOM JOURNALISTS IN SEOUL--ASKING PRES PARK END ONE-MAN RULE/DISSOLVE NATL ASSEMBLY. ALTHO SUCH DEMAND PROHIBITED BY LAW, NO ARRESTS REPORTED WHEN APPEAL READ AT 2/24 SEOUL PRAYER MTG. CRITICIZING PARK, LEADING RELIGIOUS/INTELLECTUAL FIGURES SAID PARK'S TIGHT POL CONTROL TURNING SK INTO "SILENT GRAVEYARD." DOCUMENT ALSO SAID TONGSUN PARK AFFAIR HAS "GRIEVOUSLY HURT" UNCLASSIFIED

PAGE 05 STATE 049914

KOREAN PEOPLE/WAS CAUSED BY ROKG'S PREOCCUPATION W/WINNING POL-RATHER THAN DIPLOMATIC--FRIENDS FOR SEOUL (NYT 2/25).

ACCORDING NEW CIA STUDY, SK HAS FAR OUTSTRIPPED NK IN

ECON GROWTH. STATES IF SEOUL'S EXPORT MKTS HOLD UP/IF WAR AVOIDED ON KOREAN PENINSULA, THEN SK SHOULD EMERGE IN EARLY 1980S W/ECON NEARLY 3 TIMES LARGER THAN NK, W/PER CAPITA GROSS NATL PRODUCT 1/3 GREATER. REPORT

CITES NK'S HEAVY MIL EMPHASIS AS 1 REASON FOR POORER ECON SHOWING. ALSO NOTES NK HAS BEEN CUT OFF FROM ANY WESTERN CREDIT/NO MAJOR CONTRACTS HAVE BEEN SIGNED W/PYONGYANG IN OVER 3 YRS (OBERDORFER, WP; REUTER'S HORTON, 2/24).

##### 5. JAPAN

US/JAPAN WILL HAVE ANOTHER ROUND TRADE TALKS NEXT MONTH AT WASHINGTON MTG JOINT TRADE FACILITATION CMTE, MEETING FOR 2 WKS STARTING 3/8 (AFP, WP 2/25).

AFTER RETURNING FROM JAPAN TRIP, RELIANCE STEEL/ALUMINUM CO EXEC SAID JAPANESE STEEL MFRS PLANNING CUT US SALES 20 PCT THIS YR. IF PROJECTION CORRECT, SALES INCREASES BY DOMESTIC PRODUCERS/LESS PROTECTIONIST PRESSURE ON CONGRESS FORESEEN (SMITH, LAT 2/24).

SPEAKING TO JAPAN NATL PRESS CLUB 2/24, ECON PLANNING AGENCY CHIEF MIYAZAWA COMPARED EC MEMBERS--SAVE FRG--TO "KYOTO CONFECTIONER," I.E., SMALL BUSINESSMEN WHO MAKE NO EFFORT SELL PRODUCTS BUT RATHER SIT QUIETLY WAITING FOR CUSTOMERS APPROACH THEM. CRITICIZED EC FOR MAKING DEMANDS ON JAPAN TO REFLATE/EXPAND IMPORTS WHILE NOT DOING SO ITSELF (LAT'S JAMESON, TOKYO 2/24).

UNCLASSIFIED

PAGE 06 STATE 049914

BANK OF JAPAN GOV MORINAGA SAID THURS US DOLLAR UNDERVALUED AT CURRENT EXCHANGE RATES. SAID JAPAN "STRONGLY HOPED" US WOULD CONTINUE DEFENDING DOLLAR/OPINED MERE INTERVENTION IN FOREX MKTS TO PROP UP DOLLAR WOULDN'T WORK LONG AS US CONTINUED PILE UP HEAVY AMTS RED INK (JAMESON, LAT TOKYO 2/26).

BANK OF JAPAN AUTHORITIES ESTABLISHED NEW INTERVENTION RECORD LAST WK BY POURING ESTIMATED 1 BIL DOLS INTO TOKYO FOREX MART IN ORDER SUPPORT DOLLAR. DESPITE MOVES, DOLLAR CLOSED DOWN LAST WK AT 238.01 (CULLISON, JOC TOKYO).

SEVERAL US CONSUMER FINANCE FIRMS REPORTED PLANNING ENTER JAPANESE SMALL-LOAN MKT, IN COMPEITION W/LOCAL FIRMS. FIRMS ATTRACTED BY ENORMOUS LEGAL INTEREST FEES IN MARKET WHERE 48 PCT PER ANNUM CONSIDERED BARGAIN RATE (MARTIN, SUN OTKYO 2/25).

IN REPORT ON HOW PROMOTE US CAR SALES IN JAPAN, MITI  
SAYS US AUTOMAKERS OUGHT WORK HARD/PRODUCE QUALITY  
AUTOS IF THEY DESIRE INCREASE SALES IN JAPAN. ADDED  
THAT IMPORT DUTY ON AUTOS WILL BE REDUCED TO ZERO

EFFECTIVE 4/1 (UPI, JOC).

WP'S CHAPMAN (TOKYO) REPORTSGOJ-SUBSIDIZED STUDY BY 5  
JAPANESE COMPANIES PROMISES BREAKTHRU IN MAKING LARGE  
COMPUTERS MARKETABLE BY 1980S. IF SUCCESSFUL, JAPAN'S  
MFRS WOULD BE ABLE CHALLENGE IBM'S WORLDWIDE DOMINATION.  
WHILE SCIENTISTS SKEPTICAL OF EVENTUAL SUCCESSES,  
PROSPECTIVE COMPETITORS CONCERNED OVER POSSIBILITY OF  
JAPAN PRODUCING COMPUTERS SOME 100 TIMES MORE POWERFUL  
UNCLASSIFIED

PAGE 07 STATE 049914

THAN IBM'S CURRENT LARGEST MACHINE.

NIPPON STEEL WILL OPEN LIAISON OFFICE IN SAO PAULO TO  
EXPAND BUSINESS IN BRAZIL (UPI, JOC).

JAPAN TO LEND MALAWI 19.14 MIL DOLS FOR CONSTRUCTION OF  
AIRPORT (UPI, JOC).

CONSIDERABLE COVERAGE--COMPLETE W/UPI PHOTOS--JAPANESE  
FISHERMEN'S SLAUGHTER SOME 1,000 DOLPHINS NEAR IKI.  
VILLAGERS SAID KILL NECESSARY BECAUSE DOLPHINS EATING  
TOO MANY CUTTLEFISH/YELLOWTAILS, ON WHICH FISHERMEN'S  
LIVELIHOOD DEPENDS (UPI SUN, WSTAR, NYT WP, ALL 2/25).

#### 6. CHINA

ISAACS (SUN HK) NOTES HUA'S NPC REPORT HAILED AS "NEW  
LONG MARCH" IN EDIT APPEARING SIMULTANEOUSLY IN ,PD,"  
"LIBERATION ARMY DAILY," "RED FLAG." PLAN ORIGINALLY  
DRAWN UP IN '75; COVERS YEARS '76-'85.

AP (TOKYO) ITEM (PHINQ, NYDN) NOTES DESPITE PRC INSISTENCE  
US W/DRAW RECOGNITION/DEFENSE PACT W/ROC, HUA IN OPENING  
REPORT INDIRECTLY INDICATED PRC WOULD CONTINUE POLICY OF  
IMPROVING RELS W/US. ACCORDING NCNA, HUA PLEDGED CARRY OUT  
"REVOLUTIONARY LINE IN FON AFFAIRS" OF MAO WHO BEGAN  
REAPPROACHMENT W/US.

REPORT/BRIEF ON 5TH NPC ALSO CARRIED IN GLOBE (REUTER)/  
WSJ, RESPECTIVELY. NYDN, WP, SUN CARRY NCNA VIA UPI/AP  
PIX OF HUA CLAPPING/SMILING AT OPENING SESSION 5TH NPC.

GLOBE, PHINQ, NYT CARRY AP/UPI PIX OF DELEGATES AT  
GREAT HALL DURING OPENING SESSION 5TH NPC. IN BACKGROUND  
ARE LARGE PORTRAITS MAO/HUA.

UNCLASSIFIED

PAGE 08 STATE 049914

US/ROC REPORTED TO REACH ACCORD TO RESTRICT TAIWANESE SHIPMENTS OF WIDE RANGE TEXTILE/APPAREL PRODUCTS TO US MKT DURING NEXT FIVE YRS. UNDER AGREEMENT, STILL SUBJECT

APPROVAL BOTH GOVTS, ROC WILL LIMIT SUCH SHIPMENTS TO ABOUT 750 MIL SQUARE YDS DURING '78. IN '79/SUBSEQUENT YRS, AGREEMENT WILL PROVIDE FOR 6 PCT ANNUAL GROWTH FORMULA (WSJ).

ACCORDING OFFICIAL PUBLIC SECURITY POSTERS IN PEKING, 13 COUNTER-REVOLUTIONARY GROUPS OF POL OPPONENTS DISBANDED IN HANGCHOW/EIGHT OF THEIR LEADERS EXECUTED. POSTERS SAID GROUPS HAD 32 MEMBERS/NAMES OF EIGHT CROSSED OUT IN RED, SIGNALLING THEY WERE SHOT IMMEDIATELY AFTER SENTENCING (AFP PEKING, WP).

#### 7. VIETNAM

IN LARGEST MARSHALING OF FORCES SINCE '75 OFFENSIVE AGAINST SAIGON, SRV HAS MASSED WHAT MAY BE 200,000-MAN ARMY ALONG CAMBODIAN BORDER. MIL/INTELLIGENCE SOURCES SAY REPORTS BASED ON US SATELLITE PHOTOS/RADIO MONITORS/AGENTS/ REFUGEES, WHICH REPORT AT LEAST 10 VIET INFANTRY DIVISIONS POSED ON BORDER/2 OTHERS ALONG VIET BORDER W/LAOS/ CAMBODIA. INFANTRYMEN SAID BE BACKED BY BATTALIONS/ REGIMENTS OF ARTILLERY/TANKS/ANTI-AIRCRAFT/LOGISTIC FORCES (WSTAR BANGKOK 2/26).

VIET PM PHAM VAN DONG, ON 6-DAY VISIT TO INDIA, HAD HIS 1ST ENCOUNTER W/PRESS IN NON-COMMUNIST COUNTRY WHEN HE HELD NEWS CONF 2/24. OUTLINING VN'S FONPOL, DONG SAID SRV DEVOID OF ANY INTENTIONS PLAY "BIG BROTHER" IN SEASIA. HE REITERATED VN'S CALL FOR CEASEFIRE/TROOP W/DRAWAL/ UNCLASSIFIED

PAGE 09 STATE 049914

NEGOTS/BORDER SETTLEMENT W/INTL SAFEGUARDS. IN PRIVATE TALKS W/INDIAN PREMIER DESIA/FONMIN VAJPAYEE, DONG DENIED VIET TROOPS IN CAMBODIAN TERRITORY/SAID DISPUTE SHOULD BE SETTLED BILATERALLY W/O ANY INTERFERENCE, THAT HANOI STRICTLY ADHERING TO "PRINCIPLE OF PATIENCE AND SELF- RESTRAINT" IN BORDER DISPUTE BUT CONFIDENT OF ULTIMATE VICTORY. DONG SAID RELS W/PRC GOOD, RELS W/US "ADVANCING GRADUALLY" TO "BETTER POSITION" (SUN'S SABHARWAL NEW DELHI 2/26; AP, NEW DELHI SUN 2/25).

SUN ALSO REPORTS INDIAN ANNOUNCEMENT IT WILL LEND SRV 300,000 METRIC TONS WHEAT, PAYABLE IN EITHER RICE/GOODS OF SAME VALUE.

COMMENT AND ANALYSIS

8. KOREA

HORROCK (NYT 2/26) SAYS TONGSUN PARK'S 3-WK CAPITOL HILL STAND MAY BE MOST ANTICLIMACTIC. SUGGESTS PARK WON'T DISCLOSE ANY STARTLING NEW FACTS ON KOREAN PAYOFF SCANDAL OR NAME LARGE NUMBERS USG OFFICIALS NOT HERETOFORE IMPLICATED. TAKING AS GIVEN KCIA ORGANIZED INFLUENCE-BUYING OPERATIONS, HORROCK SPECULATES KCIA DIVIDED ITS OPERATIONS--HAVING DIFFERENT PEOPLE WORK ON SAME MISSION OF BRIBERY W/O EACH OTHER'S KNOWLEDGE. REITERATES "PREVAILING FEELING" THAT PARK'S TESTIMONY WON'T BE ALL THAT REVEALING.

NYT'S WEINRAUB (2/26) CITES CONGRESSIONAL RESPONSE TO SECDEF BROWN'S HILL TESTIMONY LAST WK THAT CONGRESS NOT LIKELY PASS 800-MIL-DOL ARMS TRANSFER FOR SK THIS YR. BELIEVES SEVERAL FACTORS COULD EASILY COMBINE TO DESTROY ADMIN'S W/DRAWAL PLANS: ANTIPULLOUT SENTIMENT FROM SOME POWERFUL CONGRESSIONAL CONSERVATIVE FORCES; OPPOSITION FROM LEGISLATORS OPPOSED TO HUMAN RTS VIOLATIONS IN PARK REGIME; GENERAL DISENCHANTMENT W/SK; POOR CLIMATE UNCLASSIFIED

PAGE 10 STATE 049914

CREATED BY INFLUENCE-BUYING SCANDAL. CONCLUDES W/QUOTE FROM REP ASPIN (D-WISC) THAT WHILE MUCH SAID ABOUT WHY OPPONENTS TO W/DRAWAL WRONG, ADMIN HAS YET MAKE SOLID CASE FOR IT.

INTERVIEWING SOON-TO-BE-RETIRED REP LEGGETT (D-CALIF), WSTAR (2/24) ASKS ABOUT ACCUSATIONS AGAINST HIM RE LINK W/SUZI PARK THOMSON/KOREAN BRIBERY AFFAIR. LEGGETT STATES HE HAS NEVER BEEN INVESTIGATED/NEVER CONFRONTED W/ANY SPECIFIC ACCUSATIONS. BELIEVES KOREAN MATTER "WILL BE BEHIND US" BY MIDYEAR.

9. JAPAN

ROWEN (WP 2/26) STATES SOME VISITING JAPANESE LEGISLATORS--FROM BOTH OPPOSITION/LDP-- HAVE EXPRESSED BELIEF FUKUDA HAS "OVERPROMISED" HIMSELF BY SETTING 7 PCT ECON GROWTH TARGET THIS YR. SUGGEST PROMISE WILL RETURN TO "HAUNT" PM/REGENERATING PROTECTIONIST SENTIMENT IN US. QUOTES LDP MEMBER KOSAKA THAT JAPAN HAS COMMITTED ITSELF TO SHIFT BASIC DIRECTION ECON POLICY IT HAS PURSUED OVER 100 YRS. KOSAKA FEARS BY YR'S END JAPAN WILL HAVE REACHED "STATE OF SERIOUS UNREST." ROWEN SAYS JAPAN HAS SHOWN "REMARKABLE RESILIENCE" IN PAST/CAN PARTIALLY SOLVE TRADE PROBLEM BY WELCOMING FON INVESTMENTS.

JOC'S CULLISON (TOKYO) REPORTS LARGE CROSS-SECTION US  
BUSINESSMEN IN JAPAN EXTREMELY SKEPITCAL OF US-JAPAN  
JOINT TRADE FACILITATION CMTE'S ABILITY PRY OPEN  
JAPANESE MKTS TO US PRODUCTS. QUOTES US BUSINESSMEN  
IN TOKYO WHO BELIEVE CMTE "WILL NOT ACHIEVE ANY WHOLESale  
BREAKTHROUGHS." ALSO EXPRESS BELIEF THAT EVEN IF SOME  
UNCLASSIFIED

PAGE 11 STATE 049914

TRADE BARRIERS TAKEN DOWN, " "OTHERS WILL RISE TO TAKE  
THEIR PLACE."

IN SEPARATE ITEM, CULLISON CITES "SURFACE" POSSIBILITY  
JAPAN PREPARED MAKE MOVES GUARANTEE ECON RECOVERY/CURTAIL  
TRADE SURPLUS. BUT SAYS TOKYO'S PAST RECORD IN THESE  
AREAS LENDS MORE WEIGHT TO SKEPITCAL/PESSIMISTIC SIDE.  
REVIEWS PAST RECORD, NOTING NOW AT STAKE IS FUKUDA'S  
CREDIBILITY. REMARKS THAT "FAILURE OF ANY SIGNIFICANT  
SIZE COULD END HIS CAREER."

10. CHINA

BUTTERFIELD (NYT HK, 2/25) FEELS RECENT CPPCC MTG REFLECTS  
PRC'S NEW STRESS ON UNITY/RETURN TO STABILITY AFTER YRS  
OF DISRUPTION FOLLOWING CR. SAYS APPEARANCE PANCHEN LAMA  
ALSO TAKEN AS PRC'S FIRST RECOGNITION TIBET'S RELIGIOUS  
TRADITIONS SINCE CR AND SIGNAL THAT IDEOLOGICAL RIGIDTY OF  
PAST EASED. TENG HSIAO-PING PRESIDED OVER OPENING SESSION.  
NOTES ANALYSTS BELIEVE HE MAY BE APPOINTED PERMANENT CHRNM--  
POST HELD PREVIOUSLY ONLY BY MAO/CHOU.

MORITZ (CSM HK) NOTES AMONG OTHER THINGS CPPCC WILL ARRANGE  
VISITS BY OVERSEAS CHINESE SCIENTISTS/OTHERS INVITED BACK  
TO PRC TO CONTRIBUTE EXPERTISE/SERVICES; SEND PROPAGANDA  
DELEGATIONS TO VISIT/ENLIST FINANCIAL SUPPORT OVERSEAS  
CHINESE. PHOTOS ACCOMPANYING ITEM: NCNA VIA AP PIX OF  
HUA AT 5TH NPC; GROUP SHOT DELEGATES TO CPPCC MTG IN GREAT  
HALL.

BUTTERFIELD (NYT HK) REPORTS THAT IN LENGTHY 3 1/2 HR  
REPORT TO 5TH NPC ON 2/26, HUA KUO-FENG DETAILED PRC'S  
COMMITMENT TO RAPID ECON DEVELOPMENT/BETTER LIVING STDS/  
MORE SATISFYING CULTURAL LIFE. OFFICIALLY, HUA REAFFIRMED  
PRC'S ALLEGIANCE TO "GREAT BANNER OF CHAIRMAN MAO" BUT ALSO  
PROCLAIMED NEED FOR MODERNIZATION TO OVERCOME BACKWARDNESS/  
UNCLASSIFIED

PAGE 12 STATE 049914

NECESSITY FOR INCREASED FON TRADE AND MATERIAL INCENTIVES  
TO MOTIVATE WORKERS.

SPEAKING TO 3,456 DELEGATES, HUA INDICATED PRC MAY NOW BE

CONTEMPLATING TOUGHER STAND RE TAIWAN. PLA, HE SAID, "MUST MAKE ALL PREPARATIONS NECESSARY FOR LIBERATION OF TAIWAN." BUTTERFIELD SAYS THIS MARKED FIRST TIME RECENT YRS SENIOR

PRC OFFICIAL HAS GONE BEYOND REPEATING PHRASE PEKING "DETERMINED" LIBERATE ROC. SAYS ANALYSTS CONJECTURE NEW WORDING MIGHT BE WARNING PRC DISSATISFIED W/SLOW PACE CARTER ADMIN MOVES TOWARD NORMALIZATION. ALSO APPEARED MAKE CRITICISM OF SRV, FOR ROLE IN BORDER FIGHTING W/ CAMBODIA BY STATING, "NO COUNTRY SHOULD SEEK HEGEMONY IN ANY REGION OR IMPOSE ITS WILL ON OTHERS." NO INDICATION FROM HUA'S REPORT WHO WOULD BE NAMED PM. TELECAST OF OPENING SESSION SHOWED LEADERS SITTING UNDER ENORMOUS COLOR PORTRAITS HUA/MAO.

MATHEWS (WP HK) REPORTS 5TH NPC EXPECTED GIVE CLEAREST INDICATION OF POST-MAO POWER STRUCTURE TO DATE. EDIT, PUBLISHED BY THREE LEADING JOURNALS 2/25, LAUDED HUA FOR LEADERSHIP. TENG, ON OTHER HAND, WAS RELATIVELY INCONSPICUOUS IN PRESS ACCOUNTS. IN ADDITION ECON GOALS, HUA TO HAVE STRESSED IN OPENING REPORT NEED TO WHIP INTO COMBAT SHAPE PLA/EMPHASIZED CONTINUING CAMPAIGN STAMP OUT INFLUENCE GANG OF FOUR.

DEF MIN/VICE-CHRMN YEH CHIEN-YING FORMALLY OPENED NPC'S FIRST SESSION/SERVED AS EXEC CHRMN.

#### 11. PHILIPPINES

UNCLASSIFIED

PAGE 13 STATE 049914

IN MANILA, JOC'S LORENZ FINDS TRADE AND FISCAL DEFICITS CONTINUING ALARM PHILS BANKING CIRCLES, AS BECOMES APPARENT MARCOS' MARTIAL LAW GOVT WILL HAVE LITTLE CHANCE PAYING OFF COUNTRY'S HEAVY FON OBLIGATIONS IN YRS TO COME. OBSERVES DECLINING SUGAR-COPPER PRICE EXPECTED PUT COUNTRY'S ECONOMY IN CONSIDERABLY WORSE POSITION THAN IN '77.

#### 12. AUSTRALIA

IN 3 SYDNEY REPORTS, JOC'S STOVE FINDS AUSSIE ECONOMY "SHAPING UP MUCH BETTER SO FAR THIS YEAR" THAN MOST OBSERVERS THOUGHT POSSIBLE. FEELS IT WILL STILL BE "TOUGH YEAR," BUT NOT NECESSARILY DISASTROUS ONE.

ACCORDING STOVE, US CONSUMERS SEEKING IMPORT AUSSIE COAL AS RESULT OF AMERICAN COAL STRIKE WILL BE DISAPPOINTED. NOTES AUSTRALIA HAS LITTLE COAL AVAILABLE FOR SPOT EXPORT ORDERS; IN ADDITION, PRICE US POWER UTILITIES CURRENTLY PREPARED PAY FOR STEAMING COAL IS NOT CREATING MUCH AUSSIE INTEREST.

STOVE OBSERVES AUSTRALIA IS SLOWLY, BUT WITH FAIR AMOUNT DETERMINATION, ENTERING COMMODITIES FUTURES MKT. CITES

EXPECTATION THAT FUTURES MKT WILL BOOST COUNTRY'S GOLD PRODUCTION.

JACK ANDERSON CITES DOS CABLES THAT GOA QUIETLY PRESSURING US TO LIFT IMPORT BAN ON KANGAROO PRODUCTS, CALLING EMBARGO "UNJUSTIFIED BARRIER TO INTL TRADE." ANDERSON SAYS GOA SENT 3 DIPLOS TO LOBBY INTERIOR DEPT WHEN DOS FAILED REACT FAVORABLY. SAYS DOS THEN RELENTED/NOTIFIED GOA BY CABLE THAT DOI "WILLING TO RECONSIDER." DOI, HOWEVER, INSISTS LAW PROVIDES FOR CONSIDERATION OF REVIEW (WP 2/25).

UNCLASSIFIED

PAGE 14 STATE 049914

### 13. MALAYSIA

JOC'S LORENZ (KL) PREDICTS HIGH COMMODITY PRICES FOR MALAYSIA'S MAIN EXPORTS--RUBBER, PALM OIL, PETROL--EXPECTED CONTINUE THRU '78, RESULTING IN GROWTH RATE SOME 7 PCT/YR. SAYS STRONG EXPORT DEMAND IS KEY TO SURVIVAL FOR COUNTRY IN FACE WIDENING GAP BETWN NEW MALAY ELITE PROFITING FROM "ARBITRARY REALIGNMENT" OF ECON ACCORD TO RACE (WHICH HE CALLS "OPEN SLAP TO HARD-WORKING THOUGH OFTEN ABRASIVE" CHINESE) AND GROWING RURAL POOR.

### 14. INDOCHINA

NYT'S MOHR DOES SPEC ON UNIV NORTH CAROLINA SYMPOSIUM, SPONSORED BY "CURRICULUM IN PEACE, WAR AND DEFENSE," WHICH BROUGHT TOGETHER GEN WESTMORELAND/FORMER CIA DIR COLBY/FORMER POLICY MAKER HALPERIN/VIET EXPERT PIKE. SAYS ONE OF POINTS WHICH CAME ACROSS EMPHATICALLY WAS HOW BORING LOST CAUSE IS TO THOSE NOT EMOTIONALLY INVOLVED IN IT--SUCH AS STUDENTS IN AUDIENCE.

MOHR NOTES WESTMORELAND QUOTED "POGO" SAYING, "WE MET THE ENEMY, AND HE WAS US"; ALSO BLAMED MEDIA FOR ULTIMATE DEFEAT (REPORTING OF TET BATTLES MISLED AMERICAN PEOPLE/OFFICIALS IN WASH) AND BLAMED CIVIL INTERFERENCE FOR RESTRAINTS ON MIL POWER, ANTIWAR PROTESTS, W/DRAWAL FUNDS--LATTER "RECOGNIZED BY MOSCOW AND HANOI AS OUR INSTRUMENT OF SURRENDER." SAYS MOST SPEAKERS AGREED THAT IN PURELY MIL TERMS TET OFFENSIVE WAS SERIOUS DEFEAT FOR COMMUNIST FORCES.

### 15. CAMBODIA/VIETNAM

UNCLASSIFIED

PAGE 15 STATE 049914

WP EDIT SAYS VN/CAMBODIA WAR HAS TAKEN TURN THAT "REFLECTS WELL ON THE DISCRETION OF VIETNAM." CITING VN'S W/DRAWAL TROOPS/CALL FOR NEGOTS, SAYS THIS WOULD SEEM MEET SOME PART

OF CAMBODIA'S DEMAND FOR VIET W/DRAWAL PRIOR TO TALKS. CONTENTS RECENT REDUCTIONS IN SCALE OF FIGHTING/RHETORIC MAY INDICATE CAMBODIA CONSIDERING VIET PROPOSALS. FEELS CAMBODIA'S LACK PARTICIPATION IN INTL COMMUNITY/ITS CRUEL INTERNAL POLICY SHOW IT "DOESN'T SEEM TO GIVE A HOOT WHAT OTHER PEOPLE THINK."

JACK ANDERSON NOTES VIETS NOW CONFRONTED W/"VIETNAM" OF THEIR OWN--WAGING WAR THAT CANNOT BE WON. SAYS THEY CAN WIN HANDS DOWN IN HEAD-TO-HEAD COMBAT, BUT ARE NO MATCH FOR HIT-AND-RUN TACTICS OF "FIERCE" KR FORCES (WP 2/25).

16. VIETNAM

NYT EDIT CONTENTS ONLY RECOURSE USG COULD FIND AFTER PUBLICATION FRANK SNEPP'S "DECENT INTERVAL" WAS CIVIL DAMAGE SUIT AGAINST HIM. SAYS SUIT IS MESSAGE TO 800 CIA EMPLOYEES RECENTLY FIRED, BUT OPINES "IT IS THE WRONG MESSAGE." BY BRINGING CIVIL SUIT, SAYS USG HAS DONE MORE THAN IT SHOULD TO CURTAIL FREEDOM OF SPEECH/LESS THAN IT COULD TO TRY PROTECT IMPORTANT SECRETS (SUCH AS IN CASE PHILIP AGE). CITES MANY POSSIBLE SOLUTIONS TO CURRENT DILEMMA, BUT CONCLUDES BEST SOLUTION MAY LIE IN COMBINATION OF APPROACHES. SAYS WHAT'S SO DISCOURAGING ABOUT ADMIN'S POSITION IS THAT IT OFFERS "NO IDEAS AT ALL," IS ODDLY CONTENT TO EMBRACE CLUMSY PRECEDENT OF CIVIL DAMAGE SUIT. CALLS QUESTIONS INVOLVED "DELICATE AND DIFFICULT"/ DESERVING OF OPEN DEBATE INVOLVING CONGRESS/THE PUBLIC. VANCE

UNCLASSIFIED

<< END OF DOCUMENT >>

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 26 sep 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS SUMMARIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 feb 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE049914  
**Document Source:** ADS  
**Document Unique ID:** 00  
**Drafter:** EA/P:STAFF:VDC:AJA  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** n/a  
**Expiration:**  
**Film Number:** D780090-0221  
**Format:** TEL  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t197802120/baaafbyo.tel  
**Line Count:** 578  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, TEXT ON MICROFILM  
**Message ID:** 27a0b5cf-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN EA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 11  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 15 feb 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3476232  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FEBRURARY 27 EA PRESS SUMMARY  
**TAGS:** SOPN, XC, US  
**To:** ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS MOSCOW MULTIPLE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/27a0b5cf-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014